



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

(A-535-903)

Circular Welded Carbon-Quality Steel Pipe from Pakistan: Affirmative Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination and Extension of Provisional Measures

AGENCY: Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce

SUMMARY: The U.S. Department of Commerce (the Department) preliminarily determines that circular welded carbon-quality steel pipe (circular welded pipe) from Pakistan is being, or is likely to be, sold in the United States at less than fair value (LTFV), as provided in section 733(b) of the Tariff Act of 1930, as amended (the Act). The period of investigation is October 1, 2014, through September 30, 2015. The estimated weighted-average dumping margins of sales at LTFV are shown in the “Preliminary Determination” section of this notice. Interested parties are invited to comment on this preliminary determination.

DATES:Effective [ INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*.]

FOR FURTHER INFORMATION CONTACT: David Lindgren, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3870.

## SUPPLEMENTARY INFORMATION:

### Background

The Department initiated this investigation on November 17, 2015.<sup>1</sup> For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.<sup>2</sup> The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be found at <http://enforcement.trade.gov/frn/>. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content.

### Scope of the Investigation

The product covered by this investigation is circular welded pipe from Pakistan. Interested parties filed comments regarding the scope of the investigation, which resulted in one clarification to the scope language and are addressed, in detail, in the Department's Preliminary Scope Decision Memorandum.<sup>3</sup> For a full description of the scope of this investigation, *see* Appendix I to this notice.

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<sup>1</sup> *See Circular Welded Carbon-Quality Steel Pipe from the Sultanate of Oman, Pakistan, the Philippines, the United Arab Emirates, and the Socialist Republic of Vietnam: Initiation of Less Than Fair Value Investigations*, 80 FR 73708 (November 25, 2015) (*Initiation Notice*).

<sup>2</sup> *See* Memorandum to Paul Piquado, Assistant Secretary for Enforcement and Compliance, from Gary Taverman, Associate Deputy Assistant Secretary for Enforcement and Compliance, "Circular Welded Carbon-Quality Steel Pipe from Pakistan: Affirmative Preliminary Less Than Fair Value Determination Decision Memorandum," dated concurrently with and hereby adopted by this notice (Preliminary Decision Memorandum).

<sup>3</sup> *See* Memorandum to Gary Taverman, Associate Deputy Assistant Secretary for Enforcement and Compliance, "Antidumping Duty Investigations of Circular Welded Carbon-Quality Steel Pipe from the Sultanate of Oman, Pakistan, the United Arab Emirates, and the Socialist Republic of Vietnam and Countervailing Duty Investigation of

## Methodology

The Department is conducting this investigation in accordance with section 731 of the Act. Pursuant to section 776(a)-(b) of the Act, the Department has preliminarily relied upon facts otherwise available, with adverse inferences, to assign an estimated weighted-average dumping margin to the sole mandatory respondent International Industries Limited (IIL). For a full description of the methodology underlying our preliminary determination, *see* the Preliminary Decision Memorandum.

## All-Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated “all-others” rate shall be an amount equal to the weighted-average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any rates that are zero, *de minimis*, or determined entirely under section 776 of the Act. We cannot apply the methodology described in section 735(c)(5)(A) of the Act to calculate the “all-others” rate, as the only margin in this preliminary determination was calculated under section 776 of the Act. In cases where no weighted-average dumping margins besides zero, *de minimis*, or those determined entirely under section 776 of the Act have been established for individually examined entities, in accordance with section 735(c)(5)(B) of the Act, the Department averages the margins calculated in the petition and applies the result to “all-other” entities not individually examined. In this case, however, only one margin was calculated in the petition. Therefore, we assigned as the “all-others” rate the only margin in the Petition, which is 11.80 percent.<sup>4</sup>

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Circular Welded Carbon-Quality Steel Pipe from Pakistan; Scope Comments Decision Memorandum for the Preliminary Determinations,” April 1, 2016 (Preliminary Scope Decision Memorandum).

<sup>4</sup> *See Certain Oil Country Tubular Goods from Thailand: Preliminary Determination of Sales at Less Than Fair Value, and Postponement of Final Determination*, 79 FR 10487, 10488 (February 25, 2014), and accompanying Preliminary Decision Memorandum, unchanged in *Certain Oil Country Tubular Goods From Thailand: Final Determination of Sales at Less Than Fair Value*, 79 FR 41978, 41979 (July 18, 2014).

### Preliminary Determination

The Department preliminarily determines that the following weighted-average dumping margins exist:

<b>Exporter/Producer</b>	<b>Weighted-Average Margin</b>
International Industries Limited	11.80 percent
All-Others	11.80 percent

### Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, we will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of subject merchandise from Pakistan, as described in the “Scope of the Investigation” section, which are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*.

Pursuant to section 733(d)(1)(B) of the Act and 19 CFR 351.205(d), we will instruct CBP to require a cash deposit equal to the weighted-average margin, as indicated in the chart above.<sup>5</sup> These suspension of liquidation instructions will remain in effect until further notice.

### Public Comment

Interested parties are invited to comment on this preliminary determination. Case briefs may be submitted no later than 30 days from the publication of this preliminary determination in the *Federal Register*.<sup>6</sup> Rebuttal briefs, limited to issues raised in the case briefs, may be submitted no later than five days after the deadline for case briefs.<sup>7</sup> Parties submitting case briefs and/or rebuttal briefs in this proceeding are encouraged to submit the following in regard

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<sup>5</sup> See *Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations*, 76 FR 61042 (October 3, 2011).

<sup>6</sup> See 19 CFR 351.309(c)(1)(i); see also 19 CFR 351.303 (for general filing requirements).

<sup>7</sup> See 19 CFR 351.309(d)(1)-(2).

to each argument: (1) a statement of the issue, (2) a brief (*i.e.*, no longer than five pages) summary of the argument, and (3) a table of authorities.<sup>8</sup>

The Department also invites parties to comment on the Preliminary Scope Decision Memorandum. Written comments concerning scope issues may be submitted no later than 30 days from the publication of this preliminary determination and should be submitted separately from the briefs. Scope-related comments must be filed on the record of this investigation, as well as the companion antidumping duty investigations of circular welded pipe from the Sultanate of Oman, the United Arab Emirates, and the Socialist Republic of Vietnam and the countervailing duty investigation of circular welded pipe from Pakistan.<sup>9</sup>

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request within 30 days of the publication of the preliminary determination in the *Federal Register*.<sup>10</sup> Such requests should include the party's name, address, and telephone number, as well as the number of participants and a list of the issues to be discussed. If a request for a hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 14<sup>th</sup> Street and Constitution Avenue, NW, Washington, DC 20230, at a date, time, and location to be determined. Parties will be notified of the date, time, and location of any hearing.

Parties must file their case briefs and rebuttal briefs, as well as any requests for a hearing, electronically, using ACCESS.<sup>11</sup> Electronically-filed documents must be successfully received

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<sup>8</sup> See 19 CFR 351.309(c)(2) and (d)(2).

<sup>9</sup> See Preliminary Scope Decision Memorandum.

<sup>10</sup> See 19 CFR 351.310(c).

<sup>11</sup> See 19 CFR 351.303(b)(2)(i).

in their entirety via ACCESS no later than 5:00 PM Eastern Time by the abovementioned deadlines.<sup>12</sup>

#### Postponement of Final Determination and Extension of Provisional Measures

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise. 19 CFR 351.210(e)(2) requires that requests by respondents for postponement of a final determination be accompanied by a request for extension of provisional measures from a four-month period to a period not more than six months in duration.

III, the mandatory respondent, requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination by 60 days (*i.e.*, to 135 days after publication of the preliminary determination) and agreed to extend the application of the provisional measures prescribed under section 733(d) of the Act and 19 CFR 351.210(e)(2), from a four-month period to a period not to exceed six months.<sup>13</sup>

In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii), because (1) our preliminary determination is affirmative, (2) the requesting exporter accounts for a significant proportion of exports of the subject merchandise, (3) the requesting exporter has requested extension of provisional measures to a period not more than six months, and (4) no compelling reasons for denial exist, we are postponing the final determination until no later than 135 days after publication of this notice in the *Federal Register* and extending the provisional measures from a four-month period to a period not greater than six months. Accordingly, we

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<sup>12</sup> See 19 CFR 351.303(b)(1).

<sup>13</sup> See Letter from III, “CWP from Pakistan – Request to Postpone the Final Determination,” May 28, 2016.

will issue our final determination no later than 135 days after the date of publication of this preliminary determination, pursuant to section 735(a)(2) of the Act.<sup>14</sup>

International Trade Commission Notification

In accordance with section 733(f) of the Act, we will notify the U.S. International Trade Commission (the ITC) of our affirmative preliminary determination of sales at LTFV. If our final determination is affirmative, the ITC will determine whether or not imports of the subject merchandise are materially injuring, or threaten material injury to, the U.S. industry within 120 days of publication of this preliminary determination or 45 days of publication of our final determination, whichever is later.

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

Dated: May 31, 2016

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Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

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<sup>14</sup> See 19 CFR 351.210(b)(2) and (e).

## Appendix I

### Scope of the Investigation

This investigation covers welded carbon-quality steel pipes and tube, of circular cross-section, with an outside diameter (O.D.) not more than nominal 16 inches (406.4 mm), regardless of wall thickness, surface finish (*e.g.*, black, galvanized, or painted), end finish (plain end, beveled end, grooved, threaded, or threaded and coupled), or industry specification (*e.g.*, American Society for Testing and Materials International (ASTM), proprietary, or other), generally known as standard pipe, fence pipe and tube, sprinkler pipe, and structural pipe (although subject product may also be referred to as mechanical tubing). Specifically, the term “carbon quality” includes products in which:

- (a) iron predominates, by weight, over each of the other contained elements;
- (b) the carbon content is 2 percent or less, by weight; and
- (c) none of the elements listed below exceeds the quantity, by weight, as indicated:
  - (i) 1.80 percent of manganese;
  - (ii) 2.25 percent of silicon;
  - (iii) 1.00 percent of copper;
  - (iv) 0.50 percent of aluminum;
  - (v) 1.25 percent of chromium;
  - (vi) 0.30 percent of cobalt;
  - (vii) 0.40 percent of lead;
  - (viii) 1.25 percent of nickel;
  - (ix) 0.30 percent of tungsten;
  - (x) 0.15 percent of molybdenum;
  - (xi) 0.10 percent of niobium;
  - (xii) 0.41 percent of titanium;
  - (xiii) 0.15 percent of vanadium; or
  - (xiv) 0.15 percent of zirconium.

Covered products are generally made to standard O.D. and wall thickness combinations. Pipe multi-stenciled to a standard and/or structural specification and to other specifications, such as American Petroleum Institute (API) API-5L specification, may also be covered by the scope of these investigations. In particular, such multi-stenciled merchandise is covered when it meets the physical description set forth above, and also has one or more of the following characteristics: is 32 feet in length or less; is less than 2.0 inches (50 mm) in outside diameter; has a galvanized and/or painted (*e.g.*, polyester coated) surface finish; or has a threaded and/or coupled end finish.

Standard pipe is ordinarily made to ASTM specifications A53, A135, and A795, but can also be made to other specifications. Structural pipe is made primarily to ASTM specifications A252 and A500. Standard and structural pipe may also be produced to proprietary specifications rather than to industry specifications.



Sprinkler pipe is designed for sprinkler fire suppression systems and may be made to industry specifications such as ASTM A53 or to proprietary specifications.

Fence tubing is included in the scope regardless of certification to a specification listed in the exclusions below, and can also be made to the ASTM A513 specification. Products that meet the physical description set forth above but are made to the following nominal outside diameter and wall thickness combinations, which are recognized by the industry as typical for fence tubing, are included despite being certified to ASTM mechanical tubing specifications:

O.D. in inches (nominal)	Wall thickness in inches (nominal)	Gage
1.315	0.035	20
1.315	0.047	18
1.315	0.055	17
1.315	0.065	16
1.315	0.072	15
1.315	0.083	14
1.315	0.095	13
1.660	0.055	17
1.660	0.065	16
1.660	0.083	14
1.660	0.095	13
1.660	0.109	12
1.900	0.047	18
1.900	0.055	17
1.900	0.065	16
1.900	0.072	15
1.900	0.095	13
1.900	0.109	12
2.375	0.047	18
2.375	0.055	17
2.375	0.065	16
2.375	0.072	15
2.375	0.095	13
2.375	0.109	12
2.375	0.120	11
2.875	0.109	12
2.875	0.165	8
3.500	0.109	12
3.500	0.165	8
4.000	0.148	9
4.000	0.165	8
4.500	0.203	7

The scope of this investigation does not include:

- (a) pipe suitable for use in boilers, superheaters, heat exchangers, refining furnaces and feedwater heaters, whether or not cold drawn, which are defined by standards such as ASTM A178 or ASTM A192;
- (b) finished electrical conduit, *i.e.*, Electrical Rigid Steel Conduit (also known as Electrical Rigid Metal Conduit and Electrical Rigid Metal Steel Conduit), Finished Electrical Metallic Tubing, and Electrical Intermediate Metal Conduit, which are defined by specifications such as American National Standard (ANSI) C80.1-2005, ANSI C80.3-2005, or ANSI C80.6-2005, and Underwriters Laboratories Inc. (UL) UL-6, UL-797, or UL-1242;
- (c) finished scaffolding, *i.e.*, component parts of final, finished scaffolding that enter the United States unassembled as a “kit.” A kit is understood to mean a packaged combination of component parts that contains, at the time of importation, all of the necessary component parts to fully assemble final, finished scaffolding;
- (d) tube and pipe hollows for redrawing;
- (e) oil country tubular goods produced to API specifications;
- (f) line pipe produced to only API specifications, such as API 5L, and not multi-stenciled; and
- (g) mechanical tubing, whether or not cold-drawn, other than what is included in the above paragraphs.

The products subject to this investigation are currently classifiable in Harmonized Tariff Schedule of the United States (HTSUS) statistical reporting numbers 7306.19.1010, 7306.19.1050, 7306.19.5110, 7306.19.5150, 7306.30.1000, 7306.30.5015, 7306.30.5020, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, 7306.30.5090, 7306.50.1000, 7306.50.5030, 7306.50.5050, and 7306.50.5070. The HTSUS subheadings above are provided for convenience and U.S. Customs purposes only. The written description of the scope of the investigation is dispositive.

## **Appendix II**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Period of Investigation
- IV. Postponement of Final Determination and Extension of Provisional Measures
- V. Scope Comments
- VI. Use of Facts Available with Adverse Inferences
  - A. Application of Facts Available
  - B. Use of Adverse Inference
  - C. Selection of the Adverse Facts Available Rate
  - D. Corroboration of Secondary Information
- VII. All-Others Rate
- VIII. Adjustments to Cash Deposit Rates for Export Subsidies in Companion Countervailing Duty Investigation
- IX. Verification
- X. Conclusion

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